

United States Senate DOCKET FILE COPY ORIGINAL
WASHINGTON, DC 20510-1902
EX PARTE OR LATE FILED

July 29, 1993

*memo
CATV - Rates
3088*

Mr. G.H. Ward, III
Sky Cablevision, Ltd.
1204 Roebuck Drive
P.O. Box 65
Meridian, MS 39302

RECEIVED

AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Mr. Ward:

I have received your petition for stay of the recently promulgated cable television regulations. *92-266*

Your petition should be addressed to the Federal Communications Commission (FCC), which developed the regulations pursuant to the Cable Television Act passed by Congress last year. Congress did not promulgate the specific regulations, nor does it vote on related regulatory actions. However, to be of assistance, I have taken the liberty of forwarding your letter to the FCC for its review.

I would also suggest that you contact your senators, Thad Cochran and Trent Lott, to request assistance in seeing that your comments receive appropriate scrutiny from the FCC. You may contact Senator Cochran's office at: 202-224-5054 and Senator Lott's at: 202-224-6253. Or you may write:

Senator X
United States Senate
Washington, DC 20510

I hope this information is helpful.

With best wishes,

Sincerely,

George Mitchell

George J. Mitchell

✓ cc: Federal Communications Commission

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1 copy

SKY CABLEVISION, LTD.

PETITION FOR STAY
MM DOCKET 92-266

1204 ROEBUCK DRIVE
P.O. BOX 65
MERIDIAN, MS 39302
PHONE (601) 485-6980

July 1, 1993

The Honorable George J. Mitchell
Russell Building Suite 176
Washington, D.C. 20510

RECEIVED

AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Senator Mitchell:

I am a small cable system owner/operator with five headends serving a total of 1450 subscribers. A breakdown of our five small cable systems is as follows:

<u>HEADEND LOCATION</u>	<u>NUMBERS OF SUBSCRIBERS</u>
Boligee, Alabama	382
Sweetwater, Alabama	556
Bellamy, Alabama	160
Forkland, Alabama	179
Providence, Alabama	173

Total subscribers of all 5 cable systems 1,450

I built these cable systems two and one half years ago and still owe over \$1,000,000.00 dollars to various lending institutions for the construction of these systems.

I undertook a great deal of risk and work to provide cable service to small rural areas where conventional MSO'S wouldn't go. I charge \$22.00 per month for 18 to 20 channels of Basic cable programming and my customers don't bat an eye at the charge. They are just glad to have cable T.V. programming. I have a hard time making ends meet even at the \$22.00 rate. If I roll my rates back 10% to 15% according to the benchmark formula, I wouldn't be able to stay in business very long. I would be in the red after the 1st. month of lost revenue.

My small CATV systems have the same headend startup costs as large CATV systems, but where we serve only a few hundred homes large CATV systems serve thousands. Their operating costs per subscriber are far less than ours. Large MSO's also get volume discounts on purchases of supplies and construction materials and have additional sources of

revenue through advertising and pay per view. They also get better rates on financing .

I am appealing to you to please reconsider your position on rate regulation of small cable T.V. systems. The present ruling will force my company into bankruptcy. It has already caused a scare in my bank and they have decided to stop all lending to small cable operators which will make it impossible for my company to even add on any additional programming or perform any costly upgrades or line extensions to customers just outside our service area.

I am very confused about the new cable regulations passed by the FCC and have not recieved any information at all concerning the new law. I cannot afford the legal fees and accounting fees that will be necessary for me to incur in order to understand and implement the new FCC rate regulations and perform the cost of service showings whatever they are.

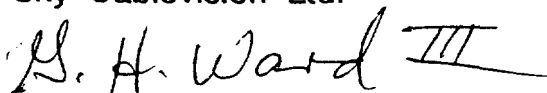
Please investigate more extensively the economics of scale of small cable T.V. systems and the damaging effects of the new rate regulations the FCC has passed has on small T.V. cable systems.

Please delay the effective date of the rate regulations and send my company the necessary information to do a cost of service showing so I can save my business from bankruptcy. I know the rate regulations have good intent for the consumer, but I feel that the opposite will be the result for small T.V. cable systems and for their subscribers. These rate regulations will cause many companies to go out of business and will prevent any new growth of cable T.V. service to small towns and rural areas. This cannot be the result that the FCC is trying to obtain with the new rate regulations.

Thank you for your prompt attention to my appeal for a review and an exemption of small CATV systems from the rate regulations imposed by the New FCC regulations.

Sincerely,

Sky Cablevision Ltd.

A handwritten signature in dark ink, reading "G.H. Ward III". The signature is fluid and cursive, with the "III" written in a stylized, slightly detached manner at the end of the name.

G.H. Ward III
GHW/d